DIFFERENCE BETWEEN MICRO AND MACROECONOMICS

Annotation: This article addresses the issue of limited resources in the modern world.

Key words: Economy, limited resources, natural resources, quality, quantity

The main problem of economic theory has two sides: the needs of human society have no limitations and increase over time; the resources needed to produce material goods are limited. From these two statements, there are three main questions of the economy, which are graphically represented in the figure. Thus, economists are faced with the task of resolving this contradiction in order to best meet the needs of society as a whole and of each individual member, using the resources available to humanity.

Problem 1 - What to produce? The fact of limited resources for the production of various assets is obvious to everyone. In this regard, researchers face the task: to determine what material values, and in what quantity, should be
produced at a given point in time in order to fully satisfy existing needs. To this end, economic theory applies an analysis of the production potential curve.

Extreme points that will lie on one or another coordinate axis means that only one type of asset will be produced. As a rule, specialists consider a generalized situation when the means of production and consumer goods are taken. Such a choice will lead to the situation that some part of society will remain completely dissatisfied. In this regard, experts face the task of finding such a volume of means of production and goods for consumption, which would satisfy the demand as fully as possible. The optimal ratio of these asset groups is called the equilibrium point. However, in practice, everything is more complicated. The fact is that these two groups of values are represented by thousands of different products designed to meet the diverse needs of billions of people around the world.

Thus, in reality, this problem is much more serious than it might seem in theory. Plus, under conditions of limited resources, an additional release of one type of values is necessarily accompanied by a reduction in another.

Problem 2 - How to produce? This problem also has several slices. Firstly, it concerns the question of what resources will be used to produce a particular set of benefits. Secondly, the production technology matters. For example, the manufacturer may decide to use mainly manual labor, so he will need a large amount of labor and, most likely, unskilled. In that case, if you use the labor of mechanisms, machines and computers, then you can get by with a significantly smaller number of workers. It is necessary to take into account that such workers must possess the required qualifications in order to be able to manage production equipment and machinery.

An important question also concerns the choice of technology for processing resources in the production of material objects. Since the solution of this issue depends on the amount of resources required to fulfill a given volume
of the production program. In turn, this directly affects the amount of costs and, consequently, the income received from economic activity.

Problem 3 - For whom to produce? The named problem implies finding an answer to the question: who will be the consumer of the goods produced? What is their purchasing power? What are their needs? The economic system produces wealth, based on information about the demand for certain goods. She also studies: Consumer needs - what they need, what needs the product should satisfy; The magnitude of their incomes is directly related to their ability to purchase goods. Responding to these questions, economic theory tries to reconcile the eternal contradiction of limited resources and unlimited needs.

The sources of any production are the resources that society possesses and which are called production resources or economic resources.

Under the economic resources understand the totality of natural, material, labor and financial resources used in the production of goods and services.

Economic resources (production resources, factors of production or factors of economic growth) are goods that are used to create other goods.

The main types of economic resources are: natural resources (renewable and non-renewable, potentially suitable for use in production:

- land, water, forest, biological, etc.);
- labor resources (working-age population capable of producing goods and services);
- capital (financial resources and means of production);
- entrepreneurial abilities (the ability of people to organize the production of products or services);
- knowledge and skills that are necessary for doing business.

Economic resources can move in space (within a country or between countries), i.e. are mobile. The degree of mobility of different resources is different. Labor resources are considered more mobile, as evidenced by the
presence of internal and external labor migration. Even more mobile are the entrepreneurial abilities and knowledge of people. Often they move with labor and capital. Natural resources are less mobile. The degree of their mobility is almost zero, since it is sometimes impossible to move them from one place. In addition to mobility, natural resources have the property of interchangeability or alternativeness. When increasing the production of a certain product, it is necessary to use additional resources: raw materials and materials, inviting new employees to work or advanced training of old personnel, purchasing new equipment, etc. this is possible only because economic resources are interchangeable, the entrepreneur always has a choice.

The basis for the economic development of any country or society is the fact that people's needs are limitless and resources are limited. Resource constraints are relative in nature and consist in the fact that it is impossible to fully meet the needs of all people.

All types of economic resources that are at the disposal of the state, enterprises or individuals are limited in terms of quality and quantity. They are not enough to meet all the needs of people. This is the main problem of economic resources, namely, their limitations and rarity. Minerals, water and land resources, air, animal and plant world have their limits of use. Labor resources are limited by their number, skills and ability of people to work, invest their work in the common cause, as well as the amount of working time. Financial resources also have their limits.

Limited is the discrepancy between the total amount of goods that are necessary to meet the diverse needs, and the possibilities of their production.

In economics, two types of limited resources are distinguished: absolute (economic resources are not reproducible and cannot be restored); relative (the use of resources depends on their availability, quality and level of development of social production). Absolute limitation is characteristic of natural and labor
resources, and relative - for financial, material (means of production) and information resources. Each resource used to meet the needs is limited, but there is always the problem of the alternative use of it and the search for the best combination of rare economic resources. Therefore, there is a need for rational use of resources. This is getting the maximum benefit at the lowest cost. The limitations lead to the fact that the state is forced to save on the use of resources. Thanks to NTP, it became possible to produce perfect equipment and equipment that allow you to reduce costs and improve the quality of products, thereby increasing the efficiency of the organization.

Any society is faced with a major economic problem, which is the disagreement between unlimited human needs and limited resources to meet them.

This problem is one of the most difficult to analyze. But economists have developed a number of ways to solve it:

- the division of labor and specialization;
- saving and efficient use of resources;
- development of entrepreneurship and competition;
- rational behavior of economic entities;
- financial help.

The division of labor by type of economic activity was assessed in far times. Each person went about his business. This made it possible to put into practice all their natural and acquired abilities, to obtain a decent income and to acquire the necessary benefits to meet their needs. In the modern economy, the division of labor and specialization are widely used in the economy. This division into sectors of the economy: industry, agriculture, education, health, trade and other industries. In each field of activity their employees work on the received specialties. This contributes to the growth of labor productivity and, accordingly, an increase in the well-being of the population. Saving resources is
reflected in the reduction of costs in the production per unit of production due to the introduction of resource-saving technologies and the use of new materials and structures. Savings allow you to avoid the waste of limited resources. This leads to increased efficiency, i.e. maximize profits at minimum cost. Competition is an incentive to increase productivity, save resources, reduce costs and improve the quality of products. Also the basis of economic growth is business. Special knowledge, skills, professionalism and experience contribute to the more efficient use of limited resources. Under the rational behavior of participants in economic processes is understood the ability of a person, enterprise or state to make appropriate decisions on agreed terms. The result is the choice of the optimal variant of production of products or services, in which the manufacturer will receive the maximum income, the consumer - the satisfaction of their needs, and the state-improving the welfare of society. Certain socio-economic problems can be solved with financial support from the state, banking institutions and international organizations. The state provides loans, subsidies and subsidies to enterprises. This allows to weaken the effect of limited resources for a short period of time.

LITERATURE:

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